

State of California
Business, Transportation and Housing
Department of Transportation

HIGHWAY FINANCIAL MATTERSS
Cash Advance - Resolution FP-99-72
Action Item

Prepared By:
Robert L. Buckley
Program Manager,
Design and Local Programs
(916) 654-3858



CTC Meeting: March 29-30, 2000

Agenda Item: 2.5h.

W. J. EVANS, Deputy Director
Finance
March 1, 2000

**CASH ADVANCE FOR ENVIRONMENTAL ENHANCEMENT AND MITIGATION
PROGRAM PROJECT IN TRINITY COUNTY**

Resolution FP-99-72
Amending Resolution FP-98-78

RECOMMENDATION

The Department of Transportation recommends the California Transportation Commission authorize a one-time cash advance of \$210,000 to Trinity County for one FY 1998-99 Environmental Enhancement and Mitigation (EEM) Program project previously allocated under Resolution FP-98-78.

FINANCIAL RESOLUTION

Resolved, that a one-time cash advance of EEM funds is approved in the amount of \$210,000 from Item 2660-101-0183 in the 1998 Budget Act for one EEM project. The EEM funds were allocated to Trinity County for the Trinity Gateway: Heritage/Arts/Recreation project, No.EEM-0098 (066), on May 5, 1999, under Resolution FP-98-78.

BACKGROUND

The state-funded EEM Program was enacted in 1989 by the Transportation Blueprint Legislation and this legislation states that it is the intent of the legislature to allocate \$10 million annually to this program. State, federal, local agencies, and non-profit entities may apply for EEM grant funds to undertake environmental enhancement and mitigation projects that are related to the impacts of new or modified transportation facilities. Projects must be above and beyond the required mitigation for the transportation project and are generally limited to grants of \$250,000. Recent enactment of a 1999 statute removed the 10-year sunset on the program and it will continue indefinitely.

A one-time cash advance of funds to EEM grant recipients is an option made available, under certain circumstances, through Resolution G-99-25, Guidelines for Allocating, Monitoring, and Auditing of Funds for Local Assistance Projects.

SUMMARY

Trinity County has asked for a cash advance on this project due to an anticipated increased need for cash for other local projects due to an unusually high project workload in FY 1999-00. The County would have a very difficult time adhering to the EEM policy of incurring costs up front on the project and being reimbursed for expenses in arrears. The cash advance will greatly facilitate the completion of the EEM project in a timely manner by reducing the administrative workload for Trinity County staff by eliminating the processing of monthly progress payment invoices and borrowing cash from other projects to cover up front costs for work completed on the EEM project. CTC staff supports this request.